

Message Text

UNCLASSIFIED POSS DUPE

PAGE 01 BRASIL 00867 310645Z

21

ACTION ARA-10

INFO OCT-01 ISO-00 AID-20 L-03 /034 W

----- 121006

R 302015Z JAN 76

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC 3635

UNCLAS BRASILIA 0867

E.O. 11652: N/A

SUBJECT: HOST COUNTRY CONTRACTOR BENEFITS:
INTERIM STATUS REPORT

REF: (A) BALLANTYNE/GELABERT 01/29/76

TELCON; (B) STATE 000433

1. THE DEPARTMENTS OF INTERNATIONAL AFFAIRS IN THE MINISTRIES OF FINANCE AND AGRICULTURE AND THE SUB-SECRETARY GENERAL OF THE MINISTRY OF EDUCATION HAVE BEEN WORKING TOGETHER TO DEVELOP A PROCEDURE TO PROVIDE FOR DUTY-FREE ENTRY OF AUTOS AND PERSONAL EFFECTS OF EACH OF THE LONG TERM STAFF MEMBER UNDER THE VARIOUS HOST COUNTRY CONTRACTS.

2. THIS PROCEDURE HAS NOW BEEN DEVELOPED AND THE MINISTRY OF FINANCE PLANS TO ISSUE AN INSTRUCTION TO THE VARIOUS MINISTRIES, CUSTOMS HOUSES AND CONCERNED AGENCIES INFORMING THEM THAT CONTRACTOR'S PERSONAL CERTIFIED BY THE MINISTRIES WILL BE GRANTED DUTY FREE ENTRY WITHIN EXISTING PROVISIONS OF DECREE 61324 DATED 09/01/67. CHAPTER IV ART. 11 OF THIS DECREE STATES THAT THERE WOULD BE A "TEMPORARY SUSPENSION OF DUTIES" FOR GOODS BROUGHT IN BY TECHNICIANS, INCLUDING IMPORTATION OF ONE AUTOMOBILE (NOT MORE THAN \$3,500 VALUE) PROVIDED ALL ARTICLES BROUGHT INTO BRAZIL WOULD ALSO BE REMOVED FROM BRAZIL ON DEPARTURE OF THE TECHNICIAN (EXPORT MUST BE GUARANTEED BY CONCERNED MINISTRY).

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 BRASIL 00867 310645Z

3. THE PURDUE RESEARCH FOUNDATION AND REGENTS OF THE UNIVERSITY OF WISCONSIN CONTRACTS WITH THE

FEDERATIVE REPUBLIC OF BRAZIL ARE BOTH UNDER LOAN AGREEMENT 512-L-077. SECTION 4.04 OF THIS LOAN STATES "...TO THE EXTENT THAT (A) ANY CONTRACTOR, ANY PERSONNEL OF SUCH CONTRACTOR FINANCED HEREUNDER, AND ANY, PROPERTY OR TRANSACTIONS RELATING TO SUCH CONTRACTS ARE NOT EXEMPT FROM IDENTIFIABLE TAXES, TARIFFS, DUTIES, AND OTHER LEVIES IMPOSED UNDER LAWS IN EFFECT IN THE COUNTRY OF THE BORROWER, THE BORROWER SHALL, AS, AND TO THE EXTENT PRESCRIBED IN AND PURSUANT TO IMPLEMENTATION LETTERS, PAY OR REIMBURSE THE SAME UNDER SECTION 4.02 OF THIS AGREEMENT WITH FUNDS OTHER THAN THOSE PROVIDED UNDER THE LOAN..."

4. THE PERTINENT ARTICLES OF APPENDIX "A" STANDARDIZED PROVISIONS OF UNIVERSITY CONTRACT FOR THE ABOVE TWO CONTRACTS ARE: (A) ARTICLE XII-TAXES AND CONSTOMS DUTIES PROVIDING FOR EXEMPTION OF DUTIES, TAXES OR LEVIE IMPOSED ON ITEMS IPOR TED FOR PERSONAL USE OR CONSUMPTION; (B) XVII C- TRANSPORTATION OF PERSONAL EFFECTS AND HOUSEHOLD GOODS. STATES INTER ALIA, THAT CONTRACTOR PERSONNEL UNDER THIS CONTRACT MAY PURCHASE IN BRAZIL ONE MOTOR VEHICLE FREE OF EXCISE TAXES. (C) XVII F-SALE OF PERSONAL PROPERTY OR AUTOMOBILES. THE SALE OF PERSONAL PROPERTY OR AUTOMOBILES BY STAFF MEMBERS AND THEIR DEPENDENTS IN THE COOPERATING COUNTRY SHALL BE SUBJECT TO BRAZILIAN REGULATIONS AND STATUTES. COPIES OOF TTHESE CONTRACTS ARE IN THE OFFICE OF CONTROLLER, BANKING DIVISION IN AID/W.

5. AT OUR REQUEST THE CONTRACTORS PREPARED A LIST OF ALL PENDING ITEMS. THIS LIST INCLUDES ITEMS (A) IN TRANSIT; (B) IN CUSTOMS HOUSES EITHER WITH OR WITHOUT EMBASSY AND MINISTRY OF FOREIGN AFFAIRS APPROVAL FOR DUTY FREE IMPORT; (C) REQUESTS FOR PURCHASE OF TAX FREE CARS, ETC. THE CONTRACTORS HAVE ALSO PREPARED LISTS OF POTENTIAL FUTURE PROBLEMS RISING OUT OF PAST IMPORT OR OTHER AUTHORIZATIONS. THESE INCLUDE SALE OF TAX FREE
UNCLASSIFIED
UNCLASSIFIED

PAGE 03 BRASIL 00867 310645Z

CARS PURCHASED IN BRAZIL AND EXPORT OF PERSONAL EFFECTS PREVIOUSLY CLEARED THROUGH CUNSTOMS.

6. FROM DISCUSSIONS WITH MINISTRY OF FINANCE PERSONNEL, WE HAVE DETERMINED THAT UPON APPROVAL NEW PROCEDURES, CONTRACTORS WILL RECEIVE DUTY FRE ENTRY ON PERSONAL EFFECTS AND AUTOS IMPRTED INTO BRAZIL. REGULATIONS DO NOT PROVIED FOR PURCHASE TAX FREE BRAZILIAN MADE AUTOS WHICH IS SPECIAL ARRANGEMENT RESTRICTED CERTAIN DIPLOMATIC/OFFICIAL

PERSONNEL. THE CONTRACTING MINISTRY WILL HAVE TO GUARANTEE THAT ALL EFFECTS SO IMPORTED WILL BE REEXPORTED UPON DEPARTURE OF THE CONTRACTOR. THE CONTRACTORS WILL NOT HAVE PRIVILEGES GENERALLY AVAILABLE THROUGH EMBASSY SUCH AS COMMISSARY, APO AND COUPONS FOR TAX FREE GASOLINE. POSSIBILITY OF INDIVIDUAL OR GROUP IMPORTATION OF FOODSTUFFS, ETC. UNDER NEW PROCEDURES NOT FULLY EXPLORED. OUR INTERPRETATION DECREE 61, 324 NOT INTENDED MULTIPLE IMPORTS. THE RESPECTIVE MINISTRIES WILL EITHER HAVE TO PAY THESE TAXES DIRECTLY OR REIMBURSE THE CONTRACTORS FOR THEM.

7. UNDER CURRENT GOB BANKING REGULATIONS (CONFIRMED BY USDO AND CITY BANK,) THE CONTRACTOR, AT THE END OF HIS TOUR, WILL BE ABLE TO BUY WITH CRUZEIROS, \$1000 IN TRAVELERS CHECKS FOR EACH MEMBER OF HIS FAMILY THAT IS TRAVELING.

8. THE MINISTRIES ARE IN CONTACT WITH THE MINISTRY OF FINANCE TO REGULARIZE ALL PAST ACTIONS WHICH APPROVED DUTY FREE ENTRY OF PERSONAL EFFECTS AND TAX FREE PURCHASE OF AUTOS.
CRIMMINS

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CUSTOMS DUTIES, AGREEMENTS, PERSONAL PROPERTY TAXES
Control Number: n/a
Copy: SINGLE
Draft Date: 30 JAN 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976BRASIL00867
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760037-0547
From: BRASILIA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t1976016/aaaaaesk.tel
Line Count: 139
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: hattaycs
Review Comment: n/a
Review Content Flags:
Review Date: 29 JUN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <29 JUN 2004 by succheem>; APPROVED <28 JUL 2004 by hattaycs>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: HOST COUNTRY CONTRACTOR BENEFITS: INTERIM STATUS REPORT
TAGS: EAID, ETRD, BR, US
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006